
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 767 Session of
2001

INTRODUCED BY J. EVANS, BOYES, PIPPY, FORCIER, PETRARCA,
SOLOBAY, FAIRCHILD, ROEBUCK, BARRAR, BELARDI, CALTAGIRONE,
COLEMAN, FLICK, FREEMAN, HENNESSEY, HORSEY, JADLOWIEC,
KENNEY, LAUGHLIN, MYERS, RAYMOND, READSHAW, SAYLOR,
SCRIMENTI, STABACK, T. STEVENSON, E. Z. TAYLOR, TIGUE,
TRAVAGLIO, WALKO, WASHINGTON, WATSON, YOUNGBLOOD, SAINATO,
COSTA, CIVERA, DALLY, MARSICO, S. MILLER, ROSS, CORRIGAN,
L. I. COHEN, TRELLO AND BROWNE, FEBRUARY 14, 2001

SENATOR THOMPSON, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, JUNE 27, 2002

AN ACT

1 Amending the act of March 28, 1984 (P.L.150, No.28), entitled
2 "An act relating to the rights of purchasers of defective new
3 motor vehicles," ~~amending the title of the act; and further~~ <—
4 ~~providing for definitions, for repair obligations, for~~ <—
5 ~~manufacturer's duty for refund or replacement and for resale~~
6 ~~of returned motor vehicle.~~

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 ~~Section 1. The title of the act of March 28, 1984 (P.L.150,~~ <—
10 ~~No.28), known as the Automobile Lemon Law, is amended to read:~~

11 ~~AN ACT~~

12 ~~Relating to the rights of purchasers and lessees of defective~~
13 ~~new motor vehicles.~~

14 ~~Section 2. Sections 2, 4, 5 and 10 of the act are amended to~~
15 ~~read:~~

1 ~~Section 2. Definitions.~~

2 ~~The following words and phrases when used in this act shall~~
3 ~~have the meanings given to them in this section unless the~~
4 ~~context clearly indicates otherwise:~~

5 ~~"Dealer" or "motor vehicle dealer." A person in the business~~
6 ~~of buying, selling, leasing or exchanging vehicles.~~

7 ~~"Department." The Department of Transportation of the~~
8 ~~Commonwealth.~~

9 ~~"Lease price." Any cost incurred by the lessee as a result~~
10 ~~of the lease, including, but not limited to, the aggregate~~
11 ~~deposits, rental payments and any other fees paid to the lessor~~
12 ~~for the leased vehicle.~~

13 ~~"Manufacturer." Any person engaged in the business of~~
14 ~~constructing or assembling new and unused motor vehicles or~~
15 ~~engaged in the business of importing new and unused motor~~
16 ~~vehicles into the United States for the purpose of selling or~~
17 ~~distributing new and unused motor vehicles to motor vehicle~~
18 ~~dealers in this Commonwealth.~~

19 ~~"Manufacturer's express warranty" or "warranty." The written~~
20 ~~warranty of the manufacturer of a new automobile of its~~
21 ~~condition and fitness for use, including any terms or conditions~~
22 ~~precedent to the enforcement of obligations under the warranty.~~

23 ~~"New motor vehicle." Any new and unused self propelled,~~
24 ~~motorized conveyance driven upon public roads, streets or~~
25 ~~highways which is designed to transport not more than 15~~
26 ~~persons, which was purchased or leased and is registered in the~~
27 ~~Commonwealth or purchased or leased elsewhere and registered for~~
28 ~~the first time in this Commonwealth and is used, leased or~~
29 ~~bought for use primarily for personal, family or household~~
30 ~~purposes, including a vehicle used by a manufacturer or dealer~~

1 ~~as a demonstrator or dealer car prior to its sale. The term does~~
2 ~~not include motorcycles, motor homes or off road vehicles.~~

3 ~~"Nonconformity." A defect or condition which substantially~~
4 ~~impairs the use, value or safety of a new motor vehicle and does~~
5 ~~not conform to the manufacturer's express warranty.~~

6 ~~"Purchaser." A person, or his successors or assigns, who has~~
7 ~~obtained possession or ownership of a new motor vehicle by~~
8 ~~lease, transfer or purchase or who has entered into an agreement~~
9 ~~or contract for the lease or purchase of a new motor vehicle~~
10 ~~which is used, leased or bought for use primarily for personal,~~
11 ~~family or household purposes.~~

12 ~~Section 4. Repair obligations.~~

13 ~~(a) Repairs required. The manufacturer of a new motor~~
14 ~~vehicle sold or leased and registered in the Commonwealth shall~~
15 ~~repair or correct, at no cost to the purchaser, a nonconformity~~
16 ~~which substantially impairs the use, value or safety of said~~
17 ~~motor vehicle which may occur within a period of one year~~
18 ~~following the actual delivery of the vehicle to the purchaser,~~
19 ~~within the first 12,000 miles of use or during the term of the~~
20 ~~warranty, whichever may first occur.~~

21 ~~(b) Delivery of vehicle. It shall be the duty of the~~
22 ~~purchaser to deliver the nonconforming vehicle to the~~
23 ~~manufacturer's authorized service and repair facility within the~~
24 ~~Commonwealth, unless, due to reasons of size and weight or~~
25 ~~method of attachment or method of installation or nature of the~~
26 ~~nonconformity, such delivery cannot reasonably be accomplished.~~
27 ~~Should the purchaser be unable to effect return of the~~
28 ~~nonconforming vehicle, he shall notify the manufacturer or its~~
29 ~~authorized service and repair facility. Written notice of~~
30 ~~nonconformity to the manufacturer or its authorized service and~~

1 ~~repair facility shall constitute return of the vehicle when the~~
2 ~~purchaser is unable to return the vehicle due to the~~
3 ~~nonconformity. Upon receipt of such notice of nonconformity, the~~
4 ~~manufacturer shall, at its option, service or repair the vehicle~~
5 ~~at the location of nonconformity or pick up the vehicle for~~
6 ~~service and repair or arrange for transporting the vehicle to~~
7 ~~its authorized service and repair facility. All costs of~~
8 ~~transporting the vehicle when the purchaser is unable to effect~~
9 ~~return, due to nonconformity, shall be at the manufacturer's~~
10 ~~expense.~~

11 ~~Section 5. Manufacturer's duty for refund or replacement.~~

12 ~~If the manufacturer fails to repair or correct a~~
13 ~~nonconformity after a reasonable number of attempts, the~~
14 ~~manufacturer shall, at the option of the purchaser, replace the~~
15 ~~motor vehicle with a comparable motor vehicle of equal value or~~
16 ~~accept return of the vehicle from the purchaser and refund to~~
17 ~~the purchaser the full purchase price or lease price, including~~
18 ~~all collateral charges, less a reasonable allowance for the~~
19 ~~purchaser's use of the vehicle not exceeding 10¢ / per mile~~
20 ~~driven or 10% of the purchase price or lease price of the~~
21 ~~vehicle, whichever is less. Refunds shall be made to the~~
22 ~~purchaser and lienholder, if any, as their interests may appear.~~
23 ~~A reasonable allowance for use shall be that amount directly~~
24 ~~attributable to use by the purchaser prior to his first report~~
25 ~~of the nonconformity to the manufacturer. In the event the~~
26 ~~consumer elects a refund, payment shall be made within 30 days~~
27 ~~of such election. A consumer shall not be entitled to a refund~~
28 ~~or replacement if the nonconformity does not substantially~~
29 ~~impair the use, value or safety of the vehicle or the~~
30 ~~nonconformity is the result of abuse, neglect or modification or~~

1 ~~alteration of the motor vehicle by the purchaser.~~

2 ~~Section 10. Resale of returned motor vehicle.~~

3 ~~(a) Vehicles may not be resold, transferred or leased at~~
4 ~~retail or wholesale. If a motor vehicle has been [returned]~~
5 ~~repurchased under the provisions of this act or a similar~~
6 ~~statute of another state, it may not be resold, transferred or~~
7 ~~leased in this State unless:~~

8 ~~(1) The manufacturer provides the same express warranty~~
9 ~~it provided to the original purchaser, except that the term~~
10 ~~of the warranty need only last for 12,000 miles or 12 months~~
11 ~~after the date of resale, transfer or lease, whichever is~~
12 ~~earlier.~~

13 ~~(2) The manufacturer provides the [consumer] purchaser,~~
14 ~~lessee or transferee with a written statement on a separate~~
15 ~~piece of paper, in ten point all capital type, in~~
16 ~~substantially the following form:~~

17 ~~"IMPORTANT: THIS VEHICLE WAS [RETURNED TO] REPURCHASED BY~~
18 ~~THE MANUFACTURER BECAUSE IT DID NOT CONFORM TO THE~~
19 ~~MANUFACTURER'S EXPRESS WARRANTY AND THE NONCONFORMITY WAS~~
20 ~~NOT CURED WITHIN A REASONABLE TIME AS PROVIDED BY~~
21 ~~PENNSYLVANIA LAW."~~

22 ~~(3) The motor vehicle dealer, lessor or transferor~~
23 ~~clearly and conspicuously discloses the manufacturer's~~
24 ~~written notification prior to the resale or lease of the~~
25 ~~repurchased motor vehicle.~~

26 ~~(4) The motor vehicle dealer, lessor or transferor~~
27 ~~obtains a signed receipt certifying, in a conspicuous and~~
28 ~~understandable manner, that the written statement required~~
29 ~~under this subsection has been provided. Access to the~~
30 ~~receipt shall be maintained for four years. The Attorney~~

1 ~~General shall approve the form and content of the disclosure~~
2 ~~statement supplied by the manufacturer.~~

3 ~~(5) The manufacturer, dealer, lessor or transferor~~
4 ~~applies for and receives the designation of a branded title~~
5 ~~from the department.~~

6 ~~(6) The department shall update its records and issue a~~
7 ~~title with a designation indicating that the motor vehicle~~
8 ~~was returned under the provisions of this act. The department~~
9 ~~shall forward to subsequent purchasers, lessees or~~
10 ~~transferees, a certificate of title which indicates that the~~
11 ~~vehicle was branded under the provisions of this act. The~~
12 ~~department shall determine the exact form and content of the~~
13 ~~title brand.~~

14 ~~The provisions of this section apply to the resold, transferred~~
15 ~~or leased motor vehicle for the full term of the warranty~~
16 ~~required under this subsection. Failure of the manufacturer,~~
17 ~~dealer, lessor or transferor to notify its immediate purchaser~~
18 ~~of the requirements of this section subjects the manufacturer,~~
19 ~~dealer, lessor or transferor to pay to the Commonwealth a civil~~
20 ~~penalty of \$2,000 per violation and, at the option of the~~
21 ~~purchaser, to replace the motor vehicle with a comparable motor~~
22 ~~vehicle of equal value or accept return of the vehicle from the~~
23 ~~purchaser and refund to the purchaser the full purchase price,~~
24 ~~including all collateral charges, less a reasonable allowance~~
25 ~~for the purchaser's use of the vehicle not exceeding 10¢ per~~
26 ~~mile driven or 10% of the purchase price of the vehicle,~~
27 ~~whichever is less.~~

28 ~~(b) Returned vehicles not to be resold. Notwithstanding the~~
29 ~~provisions of subsection (a), if a new motor vehicle has been~~
30 ~~returned under the provisions of this act or a similar statute~~

1 ~~of another state because of a nonconformity resulting in a~~
2 ~~complete failure of the braking or steering system of the motor~~
3 ~~vehicle likely to cause death or serious bodily injury if the~~
4 ~~vehicle was driven, the motor vehicle may not be resold in this~~
5 ~~Commonwealth.~~

6 ~~(c) Agreement waiving, limiting or disclaiming rights. Any~~
7 ~~agreement entered into by a purchaser that waives, limits or~~
8 ~~disclaims the rights set forth in this act is void as contrary~~
9 ~~to public policy. Where applicable, the rights set forth in this~~
10 ~~act shall extend to a subsequent purchaser, lessee or transferee~~
11 ~~of the motor vehicle.~~

12 SECTION 1. SECTIONS 2 AND 10 OF THE ACT OF MARCH 28, 1984 <—
13 (P.L.150, NO.28), KNOWN AS THE AUTOMOBILE LEMON LAW, AMENDED
14 DECEMBER 13, 2001 (P.L.868, NO.94), ARE AMENDED TO READ:

15 SECTION 2. DEFINITIONS.

16 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
17 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
18 CONTEXT CLEARLY INDICATES OTHERWISE:

19 "DEALER" OR "MOTOR VEHICLE DEALER." A PERSON IN THE BUSINESS
20 OF BUYING, SELLING, LEASING OR EXCHANGING VEHICLES.

21 "DEPARTMENT." THE DEPARTMENT OF TRANSPORTATION OF THE
22 COMMONWEALTH.

23 "MANUFACTURER." ANY PERSON ENGAGED IN THE BUSINESS OF
24 CONSTRUCTING OR ASSEMBLING NEW AND UNUSED MOTOR VEHICLES OR
25 ENGAGED IN THE BUSINESS OF IMPORTING NEW AND UNUSED MOTOR
26 VEHICLES INTO THE UNITED STATES FOR THE PURPOSE OF SELLING OR
27 DISTRIBUTING NEW AND UNUSED MOTOR VEHICLES TO MOTOR VEHICLE
28 DEALERS IN THIS COMMONWEALTH.

29 "MANUFACTURER'S EXPRESS WARRANTY" OR "WARRANTY." THE WRITTEN
30 WARRANTY OF THE MANUFACTURER OF A NEW AUTOMOBILE OF ITS

1 CONDITION AND FITNESS FOR USE, INCLUDING ANY TERMS OR CONDITIONS
2 PRECEDENT TO THE ENFORCEMENT OF OBLIGATIONS UNDER THE WARRANTY.

3 "NEW MOTOR VEHICLE." ANY NEW AND UNUSED SELF-PROPELLED,
4 MOTORIZED CONVEYANCE DRIVEN UPON PUBLIC ROADS, STREETS OR
5 HIGHWAYS WHICH IS DESIGNED TO TRANSPORT NOT MORE THAN 15
6 PERSONS, WHICH WAS PURCHASED OR LEASED AND IS REGISTERED IN THE
7 COMMONWEALTH OR PURCHASED OR LEASED ELSEWHERE AND REGISTERED FOR
8 THE FIRST TIME IN THE COMMONWEALTH AND IS USED, LEASED OR BOUGHT
9 FOR USE PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES,
10 INCLUDING A VEHICLE USED BY A MANUFACTURER OR DEALER AS A
11 DEMONSTRATOR OR DEALER CAR PRIOR TO ITS SALE. THE TERM DOES NOT
12 INCLUDE MOTORCYCLES, MOTOR HOMES OR OFF-ROAD VEHICLES.

13 "NONCONFORMITY." A DEFECT OR CONDITION WHICH SUBSTANTIALLY
14 IMPAIRS THE USE, VALUE OR SAFETY OF A NEW MOTOR VEHICLE AND DOES
15 NOT CONFORM TO THE MANUFACTURER'S EXPRESS WARRANTY.

16 "PURCHASER." A PERSON, OR HIS SUCCESSORS OR ASSIGNS, WHO HAS
17 OBTAINED POSSESSION OR OWNERSHIP OF A NEW MOTOR VEHICLE BY
18 LEASE, TRANSFER OR PURCHASE OR WHO HAS ENTERED INTO AN AGREEMENT
19 OR CONTRACT FOR THE LEASE OR PURCHASE OF A NEW MOTOR VEHICLE
20 WHICH IS USED, LEASED OR BOUGHT FOR USE PRIMARILY FOR PERSONAL,
21 FAMILY OR HOUSEHOLD PURPOSES.

22 SECTION 10. RESALE OF RETURNED MOTOR VEHICLE.

23 (A) VEHICLES MAY NOT BE RESOLD, TRANSFERRED OR LEASED AT
24 RETAIL OR WHOLESALE.--IF A MOTOR VEHICLE HAS BEEN [RETURNED]
25 REPURCHASED UNDER THE PROVISIONS OF THIS ACT OR A SIMILAR
26 STATUTE OF ANOTHER STATE, IT MAY NOT BE RESOLD, TRANSFERRED OR
27 LEASED IN THIS STATE UNLESS:

28 (1) THE MANUFACTURER PROVIDES THE SAME EXPRESS WARRANTY
29 IT PROVIDED TO THE ORIGINAL PURCHASER, EXCEPT THAT THE TERM
30 OF THE WARRANTY NEED ONLY LAST FOR 12,000 MILES OR 12 MONTHS

1 AFTER THE DATE OF RESALE, TRANSFER OR LEASE WHICHEVER IS
2 EARLIER.

3 (2) THE MANUFACTURER PROVIDES THE [CONSUMER] PURCHASER,
4 LESSEE OR TRANSFEREE WITH A WRITTEN STATEMENT ON A SEPARATE
5 PIECE OF PAPER, IN TEN POINT ALL CAPITAL TYPE, IN
6 SUBSTANTIALLY THE FOLLOWING FORM:

7 "IMPORTANT: THIS VEHICLE WAS [RETURNED TO] REPURCHASED BY
8 THE MANUFACTURER BECAUSE IT DID NOT CONFORM TO THE
9 MANUFACTURER'S EXPRESS WARRANTY AND THE NONCONFORMITY WAS
10 NOT CURED WITHIN A REASONABLE TIME AS PROVIDED BY
11 PENNSYLVANIA LAW."

12 (3) THE MOTOR VEHICLE DEALER, LESSOR OR TRANSFEROR
13 CLEARLY AND CONSPICUOUSLY DISCLOSES THE MANUFACTURER'S
14 WRITTEN NOTIFICATION PRIOR TO THE RESALE OR LEASE OF THE
15 REPURCHASED MOTOR VEHICLE.

16 (4) THE MOTOR VEHICLE DEALER, LESSOR OR TRANSFEROR
17 OBTAINS A SIGNED RECEIPT CERTIFYING, IN A CONSPICUOUS AND
18 UNDERSTANDABLE MANNER, THAT THE WRITTEN STATEMENT REQUIRED
19 UNDER THIS SUBSECTION HAS BEEN PROVIDED. ACCESS TO THE
20 RECEIPT SHALL BE MAINTAINED FOR FOUR YEARS. THE ATTORNEY
21 GENERAL SHALL APPROVE THE FORM AND CONTENT OF THE DISCLOSURE
22 STATEMENT SUPPLIED BY THE MANUFACTURER.

23 (5) THE MANUFACTURER, DEALER, LESSOR OR TRANSFEROR
24 APPLIES FOR AND RECEIVES THE DESIGNATION OF A BRANDED TITLE
25 FROM THE DEPARTMENT.

26 (6) THE DEPARTMENT SHALL UPDATE ITS RECORDS AND ISSUE A
27 TITLE WITH A DESIGNATION INDICATING THAT THE MOTOR VEHICLE
28 WAS ~~RETURNED~~ REPURCHASED UNDER THE PROVISIONS OF THIS ACT. <—
29 THE DEPARTMENT SHALL FORWARD TO SUBSEQUENT PURCHASERS, <—
30 LESSEES OR TRANSFEREES OR LIENHOLDERS, IN ACCORDANCE WITH 75 <—

1 PA.C.S. §§ 1107 (RELATING TO DELIVERY OF CERTIFICATE OF
2 TITLE) AND 1132.1 (RELATING TO PERFECTION OF SECURITY
3 INTEREST IN A VEHICLE), A CERTIFICATE OF TITLE WHICH
4 INDICATES THAT THE VEHICLE WAS BRANDED UNDER THE PROVISIONS
5 OF THIS ACT. THE DEPARTMENT SHALL DETERMINE THE EXACT FORM
6 AND CONTENT OF THE TITLE BRAND.

7 THE PROVISIONS OF THIS SECTION APPLY TO THE RESOLD, TRANSFERRED
8 OR LEASED MOTOR VEHICLE FOR THE FULL TERM OF THE WARRANTY
9 REQUIRED UNDER THIS SUBSECTION. FAILURE OF THE MANUFACTURER,
10 DEALER, LESSOR OR TRANSFEROR TO NOTIFY ITS IMMEDIATE PURCHASER
11 OF THE REQUIREMENTS OF THIS SECTION SUBJECTS THE MANUFACTURER,
12 DEALER, LESSOR OR TRANSFEROR TO PAY TO THE COMMONWEALTH A CIVIL
13 PENALTY OF \$2,000 PER VIOLATION AND, AT THE OPTION OF THE
14 PURCHASER, TO REPLACE THE MOTOR VEHICLE WITH A COMPARABLE MOTOR
15 VEHICLE OF EQUAL VALUE OR ACCEPT RETURN OF THE VEHICLE FROM THE
16 PURCHASER AND REFUND TO THE PURCHASER THE FULL PURCHASE PRICE,
17 INCLUDING ALL COLLATERAL CHARGES, LESS A REASONABLE ALLOWANCE
18 FOR THE PURCHASER'S USE OF THE VEHICLE NOT EXCEEDING 10¢ PER
19 MILE DRIVEN OR 10% OF THE PURCHASE PRICE OF THE VEHICLE,
20 WHICHEVER IS LESS.

21 (B) RETURNED VEHICLES NOT TO BE RESOLD.--NOTWITHSTANDING THE
22 PROVISIONS OF SUBSECTION (A), IF A NEW MOTOR VEHICLE HAS BEEN
23 RETURNED UNDER THE PROVISIONS OF THIS ACT OR A SIMILAR STATUTE
24 OF ANOTHER STATE BECAUSE OF A NONCONFORMITY RESULTING IN A
25 COMPLETE FAILURE OF THE BRAKING OR STEERING SYSTEM OF THE MOTOR
26 VEHICLE LIKELY TO CAUSE DEATH OR SERIOUS BODILY INJURY IF THE
27 VEHICLE WAS DRIVEN, THE MOTOR VEHICLE MAY NOT BE RESOLD IN THIS
28 COMMONWEALTH.

29 (C) AGREEMENT WAIVING, LIMITING OR DISCLAIMING RIGHTS.--ANY
30 AGREEMENT ENTERED INTO BY A PURCHASER THAT WAIVES, LIMITS OR

1 DISCLAIMS THE RIGHTS SET FORTH IN THIS ACT IS VOID AS CONTRARY
2 TO PUBLIC POLICY. WHERE APPLICABLE, THE RIGHTS SET FORTH IN THIS
3 ACT SHALL EXTEND TO A SUBSEQUENT PURCHASER, LESSEE OR TRANSFEREE
4 OF THE MOTOR VEHICLE.

5 Section 3 2. The amendments of this act shall apply to the <—
6 purchase or lease of a new motor vehicle on or after the
7 effective date of this amendatory act.

8 Section 4 3. This act shall take effect in 60 days. <—